

Southeast Energy Efficiency Meeting September 28, 2007

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TOPICS

1. Real-Time-Pricing (RTP) at Gulf Power Company
2. Gulf Power's GoodCents® Select Program

Real-Time-Pricing at Gulf Power

- Began 1995
- Approximately 7% of Gulf's retail energy sales.
- Southern Company's Alabama Power and Georgia Power also offer RTP

Real-Time-Pricing at Gulf Power

Customer Benefits

- Expectation of lower average price over time
- More attractive rate structure
- Opportunity for savings or low-cost incremental purchases

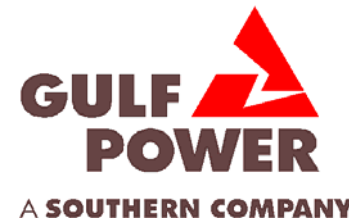
Real-Time-Pricing at Gulf Power

Company Benefits



- Improved customer satisfaction
- Shift risk associated with short term supply cost changes
- Load Factor Improvement
- Confidentiality of prices
- Credibility with stakeholders
- Peak demand reductions

Real-Time-Pricing at Gulf Power



- Aggregate Gulf Power peak demand response:

Approximately 20 mw "at the meter"

Gulf Power's GoodCents® Select Program



- What is GoodCents® *SELECT*?
- GoodCents® *SELECT* is a residential advanced energy management system that gives customers control over their energy purchases by allowing them to program their central heating and cooling system, electric water heater and their pool pump to automatically respond to varying prices.

Gulf Power's GoodCents® Select Program



Components of GoodCents® Select

- A time-varying rate design with a near real-time pricing component
- An in-home, customer-programmed, automated energy management (AEM) system
- A way to rapidly communicate rate changes, critical peak conditions, and other messages to program participants
- A means of retrieving billing determinants

Gulf Power's GoodCents® Select Program



Highlights

- 8500 Current Participants
- 94% Customer Satisfaction Rating
- 7% Churn Rate
- 2007 Installation Goal – 1500 units
- Testing New Generation Thermostat and Web Based Programming this year

Gulf Power's GoodCents® Select Program



Customer Benefits

- Lower kWh price 87% of the time as compared to standard rate.
- Bill Savings up to 15% annually.
- Greater control over energy bill.
- Gives customers a choice.

Gulf Power's GoodCents® Select Program

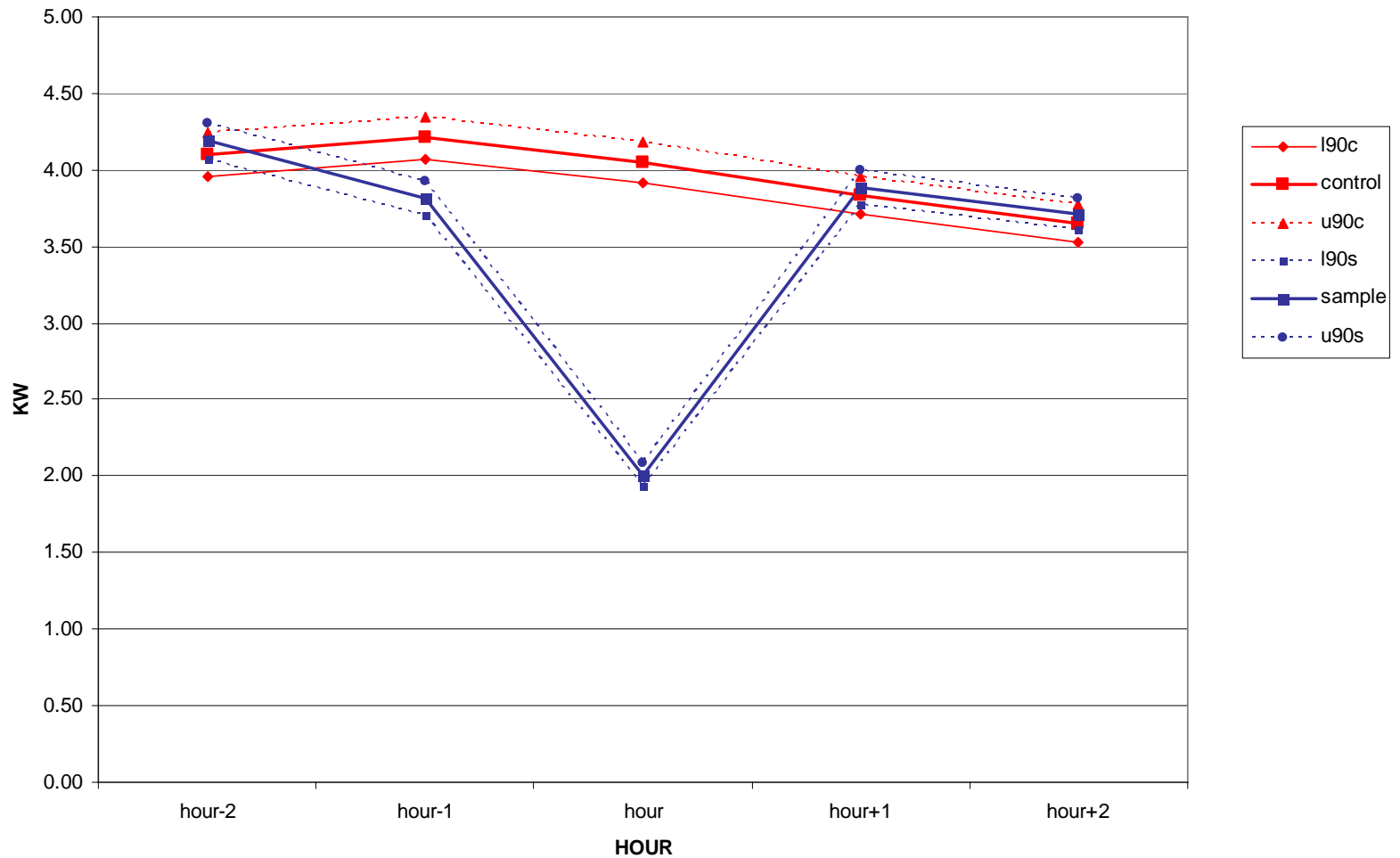


Company Benefits

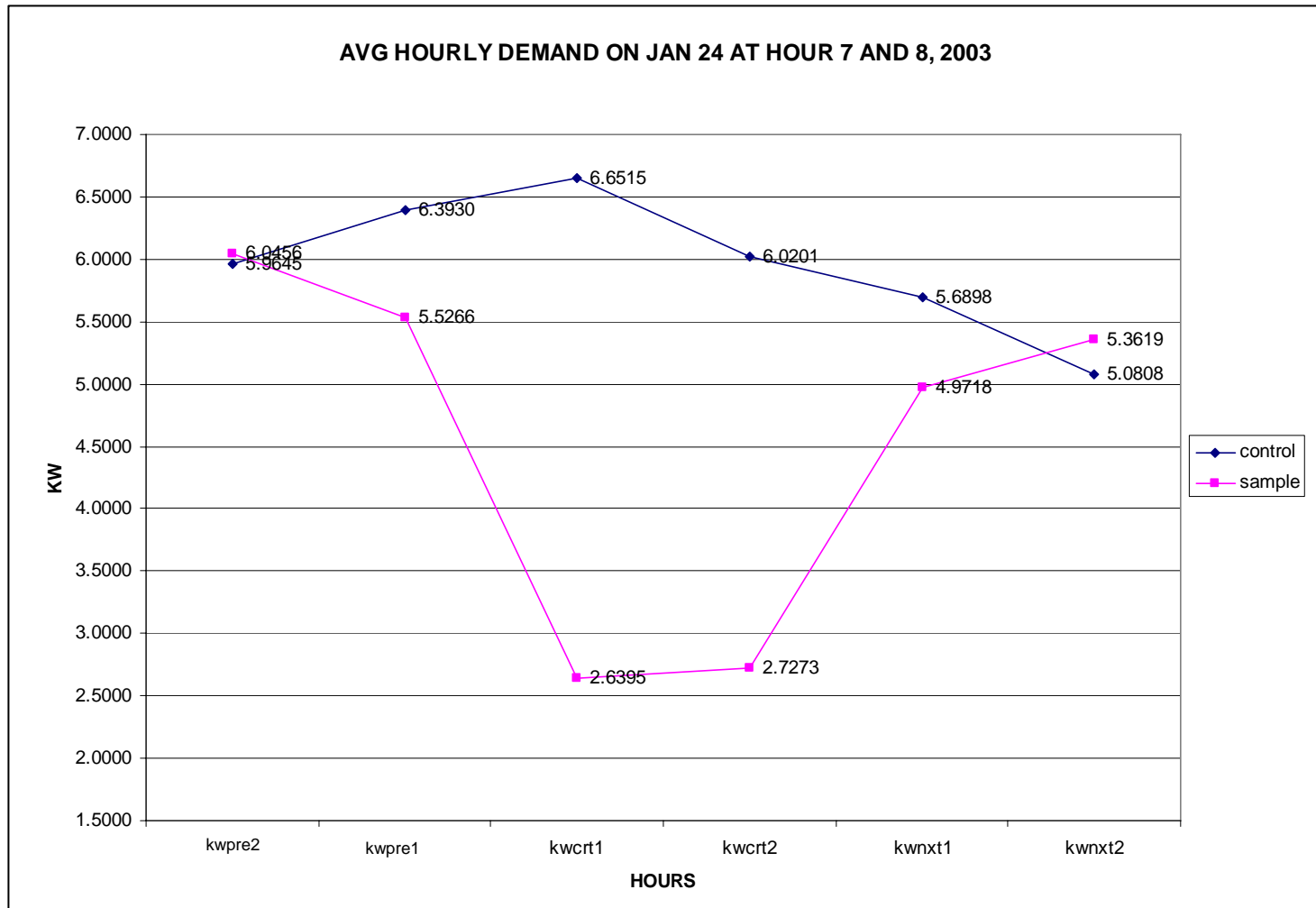
- Improved customer satisfaction
- Operational benefits
- Improved credibility
- AMR
- Substantial peak demand reduction

Peak Demand Reduction

GRAPH 1. PER CUSTOMER AVG KW FOR 2002 (DURATION=1)



Peak Demand Reduction



Peak Demand Reduction

- Bottom Line

Average about 2KW per GoodCents®
Select customer peak demand
reduction in response to “critical”
price. This amount represents about
40% to 50% of these customers’ load
at that time